

The U.P. Energy Crisis, Explained

When I ask a fellow Yooper what the largest and most pressing problem facing our peninsula is, one issue always comes up: energy. The fact is that some residents of the Upper Peninsula pay more for energy than anyone else in the United States outside of Hawaii. This has been a problem in the making for many years, and action is long overdue. Quite frankly, the hardworking families and businesses of the Upper Peninsula deserve better. So, what can we do about it?

I believe the major issues facing us in terms of energy in the Upper Peninsula are rising costs, limited availability, and unreliability. U.P. leaders recognize this. In regard to rising costs, Senator Tom Casperson states “[the energy crisis] is a big financial challenge not only to our senior citizens and already burdened families, but to the business community, which not only creates a real obstacle to attracting new businesses to the area but also discourages businesses already sited here to expand.” For example, Electricity Local reports that commercial and residential rates in Baraga County were over 30% higher than the national average rate. Access to new power sources such as wind, solar, hydropower, geothermal, and even tidal energy is necessary for lowering costs and increasing manufacturing and industrial demand. Increasing the outputs of current electrical power plants should also be considered. This will allow businesses and industry to either locate here or expand their operations.

Another energy issue facing the Upper Peninsula is reliability. If the Presque Isle Power Plant in Marquette were to suddenly cease operations, entire parts of the U.P. would be shut down on the same day. That would be catastrophic to our people and economy. Reliance on one single plant is incredibly risky. Fortunately, there are plans in place to reduce that risk (see below).

Now, whenever the topic of energy reform comes up, no matter where, reformers and legislators typically consider an “all of the above” approach while looking for solutions. They should employ the same approach to problem solving concerning the Upper Peninsula energy crisis. Investing in renewables and natural gas, as well as changing laws already on the books will help lower costs and improve reliability.

Recently, on the natural gas front, some progress has been made. Two new gas-fired power plants have been approved for construction. These two plants will replace the Presque Isle Power Plant when it is retired in 2020. One will be in Baraga County, near Pelkie, and the other in Marquette County’s Negaunee Township. This \$270 million-dollar investment being made by the Upper Michigan Energy Resources Corporation (UMERC) will supply the peninsula with 180 megawatts of power. According to UMERC, these sites will be operational in 2019. Not only will these new sites generate reliable, long-term energy for the U.P., but they will also use a cleaner type of combustion engine for burning the natural gas. Projects like these are crucial in the fight for lower costs.

Renewable energy is becoming more popular and consumers are interested in exploring alternative energy options. However, new consumers who would like to switch to solar or current users who want to expand are being roadblocked. Under current Michigan law, utilities may limit up to one-percent of energy produced towards solar net metering. Solar net metering has two categories: small (1/2 percent cap) and large-scale (1/2 percent cap) installations. In the summer of 2016, the Upper Peninsula Power Company, which serves most of the U.P, reached the residential cap of solar energy production for small-scale installations. Since reaching that mark, the company will not enroll new consumers into the program. This restriction puts the residents of the Upper Peninsula (and the rest of Michigan) at a disadvantage,

because solar power is a promising and more affordable option for many. Increasing the cap on solar net metering would help consumers and increase competition among other forms of energy production.

In closing, I believe that there are steps we can take to help solve our crisis. If you, like me, are frustrated and unhappy with what you pay in energy costs, I ask you to take action. Contact your legislators. If you believe you are being overcharged, file a complaint with the Michigan Public Service Commission, the agency responsible for ensuring that consumers are not overcharged for electricity. I am confident that collective action is the path that we must take in order to make our homes and our beautiful Upper Peninsula a more self-sustaining, energy-efficient and environmentally friendly place to live for current and future generations.

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